

Office of the
Legislative Fiscal Analyst

FY 2002 Budget Recommendations

Joint Appropriations Subcommittee for
Community Development and Human Resources

Department of Community and Economic Development
Energy Services

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1.0 Summary: Energy Services

Energy Services promotes energy efficiency through programs aimed at the general public, public buildings, transportation, and low income, elderly, and handicapped. The programs are primarily funded from court mandated settlements from oil overcharge cases.

	Analyst FY 2002 Base	Analyst FY 2002 Changes	Analyst FY 2002 Total
Financing			
General Fund	42,300		42,300
Federal Funds	1,788,600		1,788,600
Oil Overchg - Stripper Well	2,632,000		2,632,000
Total	\$4,462,900	\$0	\$4,462,900
Programs			
State Energy Conservation	1,987,900		1,987,900
Energy Technology Demonstration	1,431,200		1,431,200
Alternative Fuels - Private	533,800		533,800
State Building Energy Financing	510,000		510,000
Total	\$4,462,900	\$0	\$4,462,900
FTE/Other			
Total FTE	9		9

3.0 Programs: Energy Services

3.1 State Energy Conservation

Recommendation The Analyst recommends \$1,987,900.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	41,800	42,300	42,300	
Federal Funds	927,600	1,191,200	1,534,100	342,900
Oil Overchg - Stripper Well	299,200	450,500	411,500	(39,000)
Lapsing Balance	(56,200)			
Total	\$1,212,400	\$1,684,000	\$1,987,900	\$303,900
Expenditures				
Personal Services	181,600	216,800	159,100	(57,700)
In-State Travel	1,000	4,000	4,000	
Out of State Travel	11,300	16,300	18,300	2,000
Current Expense	61,500	80,300	88,500	8,200
DP Current Expense	10,900	7,200	13,000	5,800
Other Charges/Pass Thru	946,100	1,359,400	1,705,000	345,600
Total	\$1,212,400	\$1,684,000	\$1,987,900	\$303,900
FTE/Other				
Total FTE	4	4	4	

Purpose

This public information program is aimed at the general public, school children, private building managers, and federal agencies. The emphasis is on building energy management, transportation, renewable resources energy efficient products, emergency planning, and housing. The program uses publications, school programs, television and an energy hotline. Federal funds are used for code training, federal facilities, clean fuel vehicle demonstrations and Climate Wise.

Intent: Performance Measures

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the FY 2002 session.

Activities

Utah's relatively small population overtook states like Texas to fall third in the nation (behind California and New York) in the amount of competitive funds secured from the U.S. Department of Energy's State Energy Program. The Office and partners secured over \$700,000 for seven projects located throughout the state.

The Office lead the second annual Utah Tour of Innovative Homes with help from the American Energy Society National Tour of Solar Homes. Publicity efforts, including those of spokesman Donny Osmond drew more than 400 people to view a wide variety of energy efficient homes in the Heber Valley, Provo, Ogden, Logan and Cedar City.

They organized the National Association of Professional Energy Managers conference held in Salt Lake City. Attendees learned about eco-efficient buildings, support services for the 2002 Olympic Games, and NASA's Space Age Strategies for Cooling Cities.

Information Services developed a new presentation for Utah's elementary schools entitled "Be An Energy Bug". They also run Energy Smart Schools, a Utah based National Energy Foundation & Jordan School District implementation of comprehensive energy awareness program for K-12.

3.2 Energy Technology Demonstration

Recommendation The Analyst recommends a budget of \$1,431,200.

	2000	2001	2002	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Oil Overchg - Stripper Well	705,900	724,200	1,431,200	707,000
Lapsing Balance	(263,200)			
Total	\$442,700	\$724,200	\$1,431,200	\$707,000
Expenditures				
Personal Services	161,700	195,500	195,500	
In-State Travel	3,000	4,000	4,500	500
Out of State Travel	7,700	12,100	11,100	(1,000)
Current Expense	38,300	68,600	65,300	(3,300)
DP Current Expense	400	1,000	3,000	2,000
Other Charges/Pass Thru	231,600	443,000	1,151,800	708,800
Total	\$442,700	\$724,200	\$1,431,200	\$707,000
FTE/Other				
Total FTE	3	4	4	

Purpose This program promotes energy efficient technologies, the use of Utah's fossil fuels, and Utah's renewable energy resources by providing matching grants and loans for demonstration projects.

Activity The Office partnered with the U.S. Department of Energy's National Renewable Energy Lab, the Utah National Guard and the Utah Office of Energy Resource Planning to fund Utah's first commercially sized wind project at Camp Williams. The wind generator produces over 350,000 kilowatt hours annually, enough electricity for 200 homes. It reduces atmospheric emissions by 315 tons of carbon dioxide, one ton of sulfur dioxide, and 1,900 pounds of nitrogen oxide. Plans are pending for a second generator.

They also helped Salt Lake City International Airport get a refueling station. Industries of the Future helps Utah's industries improve competitiveness by improving energy efficiency, materials utilization, and productivity.

3.3 State Building Energy Loan

Recommendation The Analyst recommends of \$510,000.

	2000	2001	2002	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Federal Funds	134,900	255,100	254,500	(600)
Oil Overchg - Stripper Well	200	255,600	255,500	(100)
Total	\$135,100	\$510,700	\$510,000	(\$700)
Expenditures				
Personal Services	21,400			
In-State Travel	100	2,000	2,000	
Out of State Travel	1,000	5,000	5,000	
Current Expense		2,600	2,000	(600)
DP Current Expense		400	1,000	600
Other Charges/Pass Thru	112,600	500,700	500,000	(700)
Total	\$135,100	\$510,700	\$510,000	(\$700)
FTE/Other				

Purpose The program finances energy efficiency projects in state buildings with energy savings repaying the loans.

Activities The Program provided loan and grant funding for Utah school districts, local governments, and higher education facilities. Projects included upgrades to lighting systems, central plant equipment, controls and boilers. Nine new contracts were issued to local governments for energy efficient upgrades on historic buildings.

In FY 2000 the program worked with the Hurricane Heritage Museum improving lighting, Kanab Historic House Museum improving insulation and weatherization and the Moab Arts and Recreation Center improving building usability from nearly nonexistent to constant use.

3.4 Alternative Fuels – Private

Recommendation The Analyst recommends a budget of \$533,800.

	2000	2001	2002	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Oil Overchg - Stripper Well		544,300	533,800	(10,500)
Transfers - Department of Community	40,200			
Total	\$40,200	\$544,300	\$533,800	(\$10,500)
Expenditures				
Personal Services	38,000	38,100	38,100	
In-State Travel		2,000	3,000	1,000
Out of State Travel		4,000	5,000	1,000
Current Expense	2,000	11,400	11,700	300
DP Current Expense	200	1,000	1,000	
Other Charges/Pass Thru		487,800	475,000	(12,800)
Total	\$40,200	\$544,300	\$533,800	(\$10,500)
FTE/Other				
Total FTE	1	1	1	

Purpose This program finances private fleet vehicle conversions to cleaner burning fuels. The maximum loan payback period is ten years, but the average is four. Cost effectiveness is independently reviewed by Mountain Fuel.

Activities The Office celebrated the opening of a Clean Fuels Refueling Station at the Salt Lake International Airport. Other partners included the Salt Lake Department of Airports, Salt Lake Clean Cities Coalition, U.S. DOE, Questar Gas, Utah LP Gas and the Murphy Co.

The low amount loaned is due to problems with a similar program in Arizona. The Division decided to halt loan activity to make sure that similar problems did not occur in Utah. A new bill passed in the 2000 General Session will minimize financial barriers and increase incentives to purchase clean fuel vehicles and build the refueling infrastructure.

4.0 Additional Information

4.1 Funding History

	1998	1999	2000	2001	2002
	Actual	Actual	Actual	Estimated	Analyst
Financing					
General Fund	41,000	41,500	41,800	42,300	42,300
Federal Funds	1,302,200	1,392,900	1,062,500	1,446,300	1,788,600
Oil Overchg - Stripper Well	895,900	1,116,000	1,005,300	1,974,600	2,632,000
Transfers - Department of Community Development			40,200		
Lapsing Balance		(972,900)	(319,400)		
Total	\$2,239,100	\$1,577,500	\$1,830,400	\$3,463,200	\$4,462,900
Programs					
State Energy Conservation	771,600	1,160,900	1,212,400	1,684,000	1,987,900
Energy Technology Demonstration	833,500	414,400	442,700	724,200	1,431,200
Alternative Fuels - Private	60,500		40,200	544,300	533,800
State Building Energy Financing	1,900	2,200	135,100	510,700	510,000
Energy Other	571,600				
Total	\$2,239,100	\$1,577,500	\$1,830,400	\$3,463,200	\$4,462,900
Expenditures					
Personal Services	430,600	346,000	402,700	450,400	392,700
In-State Travel	2,000	4,200	4,100	12,000	13,500
Out of State Travel	11,200	23,900	20,000	37,400	39,400
Current Expense	100,500	113,000	101,800	162,900	167,500
DP Current Expense	9,400	5,700	11,500	9,600	18,000
DP Capital Outlay	400				
Other Charges/Pass Thru	1,685,000	1,084,700	1,290,300	2,790,900	3,831,800
Total	\$2,239,100	\$1,577,500	\$1,830,400	\$3,463,200	\$4,462,900
FTE/Other					
Total FTE	8	8	9	9	9

4.2 Federal Funds

		FY 2000	FY 2001	FY 2002
Program		Actual	Estimated	Analyst
State Energy Programs DOE	Federal	\$920,500	\$927,100	\$1,270,100
	Required State Match	40,700	40,800	40,700
	Subtotal	961,200	967,900	1,310,800
Climatewise EPA	Federal	\$6,900	\$8,500	\$8,500
	Required State Match			
	Subtotal	6,900	8,500	8,500
NICE 3 DOE	Federal	\$135,100	\$510,700	\$510,000
	Required State Match			
	Subtotal	135,100	510,700	510,000
Federal Total		1,062,500	1,446,300	1,788,600
Required State Match Total		40,700	40,800	40,700
Total		\$1,103,200	\$1,487,100	\$1,829,300